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MEMORANDUM FOR: The Record

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SUBJECT : Dual Compensation Case of

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1. Several days ago Mr. Deputy General Counsel, and I discussed the above case with Major General B. S. Sawyer, Chief of Finance of the Army and his legal advisor. Our office has been receiving an increasing number of inquiries from personnel who are receiving military pensions as to the applicability of the dual compensation statutes. This particular case came to a head recently when the Army, apparently acting upon private information which it received, suspended the pension of on the ground that he was employed with the Government.

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2. case presents certain favorable aspects from a legal standpoint. He is a contract agent who operates pretty much on his own in the securing of information and making of contacts. He does not perform services in an office or keep regular hours, and his meetings with us are intermittent and as the occasion requires. His contract specifically states that he is not an employee of the United States Government and is not entitled to the benefits normally incident to that status. It was decided to take this case up with the Army in order to forestall any further investigation of status and also to open the general subject since there are other Agency personnel in a similar situation.

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3. General Sawyer agreed to call the file on this case to his office and to stop all further Army investigation until a legal determination can be made on the point of dual compensation. He did not think, however, that pension would be reinstated until final decision is made on the legal point involved. At his request, we have provided a general statement on the legal relationship existing between and the Agency. After studying our

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memorandum and the file on the case, the Army will proceed to make a decision on the matter if they are able. However, they indicated that discussions with the General Accounting Office may be necessary. We will follow up this matter and keep the interested offices advised of developments.

[redacted] 25X1A9A

[redacted] Assistant General Counsel

OGC/MGH:phb

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